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EXAMINER
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	Applicant(s)
Office Action Summary	10/791,149	POSTREL, RICHARD
	Examiner	Art Unit	
	Ed Baird	3695	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *14 May 2009*.

2a)☒ This action is **FINAL.**   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-6 and 21-24* is/are pending in the application.

    4a) Of the above claim(s) *7-20* is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-6 and 21-24* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☒ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date *15 May 2009*.

4)☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____

5)☐ Notice of Informal Patent Application

6)☐ Other: _____

DETAILED ACTION

Status of Claims

1.   Applicant has amended claims 1 – 5, canceled claims 7 – 20, and added claims 23 and

24.   Thus, claims 1 – 6, and 21 – 24 are pending in this application and are presented for

examination.

Response to Arguments

2.   Applicant's remarks/ arguments filed **15 May 2009** have been fully considered.

3.   Examiner acknowledges amendments to claim 1 to overcome 35 U.S.C. § 101 rejection

and, in turn, withdraws rejection.

4.   Applicant's arguments filed with respect to **claims 1 – 6, 21 and 22** regarding the 35

U.S.C. § 103(a) rejections have been fully considered but they are not persuasive.

5.   Applicant argues **Walker** does not disclose *that the centralized database contains*

records from a plurality of merchants, each of which has associated therewith a plurality of

individual user reward point accounts, as presently claimed [Remarks page 11, top of page].

However, Examiner respectfully disagrees.

        Although cited reference text, [column 8 lines 18 – 45], discloses "a central database in

which multiple frequent shoppers have accounts", **Walker** further discloses the *frequent*

shopper rules database [column 8 lines 18 – 45] and discloses parts of this database as

including *affiliation rules* which "are associated with rules governing transactions that are also

associated with an affiliated promotion or program, rules governing co-promotion reward

calculation, reward assessment and promoted payment means (i.e., affinity credit cards,

preferred bank credit cards and the like)" [column 9 lines 9 – 13]. **Walker** further discloses that

the *affiliation rules* include fields including a filed which is "indicative of whether the transaction

reward program includes *an automatic link to an affiliated reward program*" [column 10 lines 12

– 23]. Examiner maintains that *the automatic link to affiliated* reward programs is indicative of

Applicant's centralized database containing records from a **plurality of merchants** (emphasis

added), each of which has associated therewith a plurality of individual user reward point

accounts.

6.   Applicant argues **Walker** does not teach *that the database stores such accounts for a

plurality of independently operating merchants* [Remarks page 12, 1st full paragraph]. However,

Examiner respectfully disagrees as discussed above.

        Harris discloses a discount credit system which permits participants to obtain goods and

services at a discount from participating authorized merchants, such as national catalog

merchants [column 3 lines 33 – 36]. Examiner maintains that *authorized merchants*, such as

national catalog merchants, are indicative of Applicant's **plurality of independently operating

merchants**.

        Further, **Harris** discloses passive enrollment of *customers/ members* and giving them

membership numbers [column 4 lines 7 – 22] and actively enrollment of *potential members* "as

authorized participants of the discount credit system" [column 4 lines 41 – 57]. Examiner

maintains that *customer/ members* and *authorized participants* of the discount credit system are

indicative of Applicant's **plurality of individual user reward point accounts** whereas *plurality*

is indicative of **individuals**. Examiner further notes that the *membership numbers* are indicative

of Applicant's **plurality of individual user reward point accounts** whereas *plurality* is

indicative of **accounts**.

7.   Applicant states that "*The Examiner admits that Harris does not disclose an exchange

account or that reward points are selected from a plurality of user reward point accounts for

exchange into the reward point exchange account as set forth in claim 3, but alleges that Walker*

'discloses the deficiencies of Harris' " [Remarks page 13, top of page]. However, these

arguments are moot based on the amended claim language.

　　　　However, Examiner further clarifies the rejection of claim 3 wherein Harris teaches:

- establishing a reward point exchange account on the central reward server [column 4

lines 6 – 22 and 41 – 57] – "*passive* and *active* enrollment methods";

- selecting reward points from each of a plurality of user reward point accounts

associated with different independently operating merchants for exchange into the reward point

exchange account [column 5 lines 35 – 40];

　　　　and **Walker** discloses:

- exchanging (*amended language*) the selected reward points into the reward point

exchange account [column 4 lines 54 – 63] – "*to earn a reward*" and [column 6 lines 21 – 45] –

"*reward history*".

　　　　Examiner maintains that "*to earn a reward*" and "*reward history*" as indicative of

Applicant's **exchanging the selected reward points**.

8.　　　　Applicant does not argue the rejections made to claims 4 - 6 and 21 - 22 except from

their direct or indirect dependency on claim 1. Hence, Examiner maintains rejections.

9.　　　　Examiner notes that grounds of rejection of claims 1 – 6, 21 and 22 are maintained for

35 U.S.C. § 103(a) rejections but the wording is revised to account for the revised claim

language.

10.　　　　Examiner notes that due to amendment of claims, new 35 U.S.C. § 112, 2nd paragraph

rejection have been introduced into this office action.

Claim Rejections - 35 USC § 112

11.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

12.   Claims 1, 2, 23 and 24 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

13.   Regarding **claims 1, 2, 23 and 24**, the term "in association with" or "associated with" in the amended claim language is vague and indefinite. The term "in association with" or "associated with" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

In order to overcome this rejection, the terms "in association with" and "associated with" need to be replaced with words describing the relationship between the elements.

Appropriate correction is required.

14.   Also in **claim 24**, the term "enable" renders the claim indefinite in that no specific function is performed.

In order to overcome this rejection, the term "enable" needs to be replaced with words describing specific actions.

For the purpose of evaluation, the step:

- (i) enable the selection of reward points from each of a plurality of user reward point accounts associated with different independently operating merchants for exchange into the reward point exchange account

will be considered as not further limiting. Appropriate correction is required.

15.   In light of the 112, 2nd paragraph rejections, Examiner will try to interpret claims to the

best of his ability.

Claim Rejections - 35 USC § 103

16.   The following is a quotation of 35 U.S.C. 103 (a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
> section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
> such that the subject matter as a whole would have been obvious at the time the invention was made to a person
> having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
> manner in which the invention was made.

17.   Claims 1 – 3, 5 – 6, and 21 – 23 are rejected under 35 U.S.C. 103(a) as being

unpatentable over **Harris et al** (US Patent No. 6,014,635) in view of **Walker et al** (US Patent

No. 6,327,573).

18.   Regarding **claim 1, Harris** teaches a method and a system which rewarding customers

with discounts for utilizing participating authorized merchants. The system and method are

used in conjunction with a credit card network [column 3 lines 34 – 57.

        Harris teaches:

•   a. providing a reward point account database in a central reward server computer

that interoperates with the computer network, [column 4 lines 7 – 22 and lines 41 – 57] -

Examiner interprets *discount credit system* as a reward/ benefit system similar to Applicant's

reward point system.

•   the reward point account database storing a plurality of individual user reward point

accounts in association with each of a plurality of independently operating merchants [column 3

lines 33 – 36], and [column 5 lines 36 – 40] – *authorized merchants* - [column 4 lines 7 – 22

and lines 41 - 58] - *customer / member* and *authorized participants* are analogous to

Applicant's **individual user**.

    • b. a user executing a purchase transaction with a transacting merchant selected from said plurality of independently operating merchants by presenting to the transacting merchant a credit card for payment of the transaction [column 5 lines 16 – 19];

    • c. a transacting merchant computer, operating in association with the transacting merchant, transmitting via the computer network a request to an acquiring bank computer to obtain approval of said purchase transaction from an issuing bank computer, said request comprising a user payment account ID as obtained from the card [column 2 line 53 – column 3 line 2] - Examiner interprets *membership number* as Applicant's **account ID**, [column 8 lines 12 – 18, and Figure 1] – Examiner interprets *settlement transactions* as Applicant's **request to obtain approval.** Examiner interprets *merchant bank* as analogous to Applicant's **acquiring bank**. Examiner interprets *card issuing bank* as analogous to Applicant's **issuing bank.**

    • d. the transacting merchant computer transmitting an instruction to the central reward server computer to add reward points to a user reward point account in the reward point account database, the user reward point account being associated with the transacting merchant and the user payment account ID user [column 11 lines 16 – 23, and Figure 6] – Examiner interprets *issuing credit for a certain discount percentage* as analogous to Applicant's **adding reward points to a user reward point account.**

       Harris does not disclose **reward points** as such in his discount credit system. However, **Walker** discloses a method enabling a frequent shopper to acquire or earn reward points [Abstract, column 4 lines 16 – 62, and column 10 lines 12 – 23]. Examiner notes *a reward point increase attribute* as analogous to Applicant's **adding reward points**.

       Therefore, it would have been obvious to a person having an ordinary skill in the art at the time of the instant invention to modify **Harris'** invention to include *reward points* into his

method and system as taught by **Walker** because it would allow user/ merchant to formulate

incentive programs tailored to particular demographic groupings, regardless of the account

affiliation of a particular member [**Walker** column 6 line 64 – column 7 line 2] thus creating

incentives for customer patronage [column 1 lines 11 – 20].

19.   Regarding **claim 2, Walker** teaches redeeming reward points from the user reward point

account by:

- the user executing a purchase transaction with a redeeming merchant

- the user utilizing reward points from at least one of the user reward point accounts

associated with the user for the purchase transaction;

- a redeeming merchant computer associated with the redeeming merchant

transmitting an instruction to the central reward server computer to reduce the user reward point

account associated with the user by the amount of reward points used in the transaction

[column 6 lines 21 – 45]. Examiner interprets the *transactional profile which contains a*

purchase history and a reward history as indicative of Applicant's **user utilizing reward points**.

    Therefore, this claim is rejected for the same reasons as claim 1.

20.   Regarding **claim 3, Harris** teaches:

- establishing a reward point exchange account on the central reward server computer

[column 4 lines 6 – 22 and 41 – 57]. Examiner notes Harris discloses both a *passive* and an

active enrollment method as analogous to Applicant's **establishing** a reward point exchange

account.

- selecting reward points from each of a plurality of user reward point accounts

associated with different independently operating merchants for exchange into the reward point

exchange account [column 5 lines 35 – 40];

    Harris does not specifically disclose <u>exchanging</u> **reward points**.

However, **Walker** discloses:

- exchanging the selected reward points into the reward point exchange account

[column 4 lines 54 – 63] - "*to earn a reward*" and [column 6 lines 21 – 45] - "*reward history*".
Examiner interprets "*to earn a reward*" and "*reward history*" as indicative of Applicant's
exchanging the selected reward points.

Therefore, it would have been obvious to one having ordinary skill in the art at the time
of the instant invention to modify **Harris'** disclosure to include *exchanging reward points* as
taught by **Walker** because it would allow merchant to reward a customer for continued
patronage based over a period of time.

21.　　Regarding **claim 5, Harris** teaches:

- establishing a cluster of independently operating merchants, each of which have

user reward point accounts established with the reward point account database in the central
reward server computer [column 3 lines 58 – 65];

- allowing aggregation of points from each of the independently operating merchants

in the cluster into the reward point exchange account [column 3 lines 58 – 65 – Examiner notes
that *participating vendors* represent Applicant's **cluster of merchants**]; and

- disallowing aggregation of points from a merchant not a member of the cluster

Examiner interprets that *participating vendors, who become authorized merchants and
agree to offer their goods or services to the participants of the discount credit system* as
indicative of Applicant's disallowing merchants who are not authorized i.e. those who are **not a
member of the cluster**.

22.   Regarding **claim 6, Harris** teaches:

- allowing for redemption of aggregated reward points only with redeeming merchants

that are members of the cluster [column 3 line 66 – column 4 line 3] - Examiner interprets

receiving a percentage discount as Applicant's **redemption of aggregated reward points.**

Examiner interprets *a participant* as including Applicant's redeeming merchants who are

members of the cluster.

23.   Regarding **claims 21 and 22, Walker** teaches the user executing the redemption

purchase transaction

- completely with reward points, or

- partially with reward points from the reward point account and partially with other

consideration [column 2 lines 25 – 30].

Examiner interprets *allocating at least a portion* of the determined *reward level* as

analogous to Applicant's redemption **completely with** or **partially with reward points**.

Therefore, these claims are rejected for the same reasons as claim 2, the claim upon

which these claims depend.

24.   **Claim 23** is a system claim substantially similar to method claim 1 and, accordingly,

rejected for the same reasons.

25.   Claims 4 and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Harris**

in view of **Walker** as applied to claim 3, in further view of **Klayh** (US Pub. No. 2003/0050831).

26.   Regarding **claim 4**, neither **Harris** nor **Walker** explicitly discloses redeeming aggregated

reward points from the reward point exchange account.

However, **Klayh** teaches:

- the user executing a purchase transaction with a redeeming merchant;

- the user utilizing aggregated reward points from the reward point exchange account for the purchase transaction;

- the reward point exchange account being reduced by the number of aggregated reward points utilized for the purchase transaction.

Klayh discloses an embodiment of his method which controls a customer reward system [0023] by:

- establishing merchant, customer and administrator loyalty point databases [0024],

- depositing loyalty points in a designated customer's database [0025],

- redeeming loyalty points for goods or services [0026]. Examiner interprets *redeeming loyalty points* as Applicant's **redeeming aggregated reward points**; and

- decrementing a further predetermined number of loyalty points from the database of the merchant and incrementing the database of the administrator by the further predetermined number of loyalty points [0027]. Examiner interprets *decrementing loyalty points* as Applicant's **reducing the number of aggregated reward points**.

Therefore, it would have been obvious to one having ordinary skill in the art at the time of the instant invention to modify **Harris'** disclosure to include *redeeming loyalty points for goods and services and decrementing a user's account accordingly* as taught by **Klayh** because it promotes customer loyalty to a particular credit card issuer.

27.   Regarding **claim 24**, neither **Harris** nor **Walker** explicitly discloses:

- (ii) exchange the selected reward points into the reward point exchange account.

However, **Klayh** discloses an embodiment of controlling a customer reward system which includes using the loyalty points as a medium of exchange between the merchants and administrator via the network and the terminals [0022].

Therefore, it would have been obvious to one having ordinary skill in the art at the time of the instant invention to modify **Harris'** disclosure to include *exchanging loyalty points between merchants and administrators (i.e. into an exchange account)* as taught by **Klayh** because it allows settling of credits of loyalty points between the merchants and administrators [**Klayh** 0022].

Conclusion

The prior art of record and not relied upon is considered pertinent to Applicant's disclosure:

- **Brake et al:** "Customer activated multi-value (CAM) card", (US Patent No. 6,032,136).

- **Savage et al:** "Method and system of combined billing of multiple accounts on a single statement", (US Pub. US 7,236,950).

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ed Baird whose telephone number is (571)270-3330. The examiner can normally be reached on Monday - Thursday 7:30 am - 5:00 pm Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles R. Kyle can be reached on 571-272-6746. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://portal.uspto.gov/external/portal/pair. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Ed Baird/
Examiner, Art Unit 3695

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